

FISCAL NOTE

TO: Chief Clerk of the Senate
Chief Clerk of the House

FROM: James A. Davenport, Executive Director

DATE: March 20, 1995

SUBJECT: **SB 1285 - HB 708**

This bill, if enacted, will encourage managed care organizations in the TennCare Program to use provider networks already established for the delivery of services to patients who are not eligible for enrollment in the TennCare Program. This bill prohibits managed care organizations from discriminating against providers who chose not to participate in the TennCare Program. Any MCO that is guilty of discriminating is ineligible to participate in TennCare.

The fiscal impact from enactment of this bill is estimated to be an increase in expenditures to the TennCare Program. The provisions of this bill will cause an increase in capitation rates to insure that sufficient providers remain in the TennCare Program. This bill will affect existing procedures used to control cost. The amount of such increase cannot be reasonably determined but can be estimated to exceed \$100,000 in the long run.

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is fluid and cursive, with the first name "James" being the most prominent.

SB 1285 - HB 708

James A. Davenport, Executive Director